DOCUMENT RESUME

ED 375 442 CS 508 713

AUTHOR Williams, Geoffrey
TITLE The Future of Broadcasting in Britain. St. Catharine's Conference (Windsor, England, United Kingdom, November 1992). St. Catharine's Conference Report No. 35.
INSTITUTION King George VI and Queen Elizabeth Foundation of St. Catharine's, Windsor (England).
REPORT NO ISSN-0955-3517
PUB DATE Nov 92
NOTE 17p.
PUB TYPE Collected Works - Conference Proceedings (021)

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Audience Awareness; *Broadcast Industry; Foreign Countries; Futures (of Society); Governance; *Mass Media Role; *Public Television; *Technological Advancement
IDENTIFIERS *British Broadcasting Corporation; England; United Kingdom

ABSTRACT

Reporting on a conference concerning the future of broadcasting in Britain, this paper addresses the two issues that dominated the conference: the future of the British Broadcasting Corporation, and the likely effects of technological change on broadcasting. The paper discusses: (1) what has changed in the broadcasting industry in England since the 1950s; (2) the west European perspective on changes in the broadcast industry; (3) implications of change for British broadcasting; (4) implications of change for British audiences; (5) the future of broadcasting; (6) the place of the BBC; and (7) questions and principles for the future. The paper notes that the government view was that public awareness of changes should be increased and that the current debate should be about the aims of public service broadcasting, while an alternative view was that the debate should center on the role of the BBC as a national institution. The paper also notes that BBC itself felt that its mission is to inform and educate, to reflect and enhance British culture, and to reflect what is happening in the rest of the world. (RS)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

£2.00

ISSN 0955–3517

"PERMISSION TO REPRODUCE THIS MATERIAL IN OTHER THAN PAPER COPY HAS BEEN GRANTED BY

G. J. Williams

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)"

THE FUTURE OF BROADCASTING IN BRITAIN

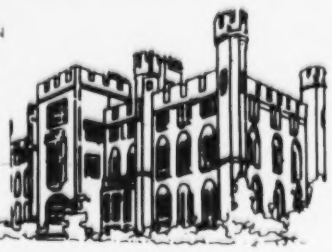
ED 375 442

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it

☐ Minor changes have been made to improve reproduction quality

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy



A ST CATHARINE'S CONFERENCE HELD AT CUMBERLAND LODGE NOVEMBER 1992

St Catharine's Conference Report No. 35

Introduction

St Catharine's Conferences are an important part of the work of the King George VI and Queen Elizabeth Foundation of St Catharine's and focus on a variety of contemporary issues.

This conference, on the future of broadcasting in Britain, was well timed, taking place in the week which saw the publication of the government Green Paper, *The Future of the BBC. A Consultation Document*, and the BBC's response, *Extending Choice. The BBC's Rôle in the New Broadcasting Age*. Participants received these documents during the conference. The conference considered broadcasting as a whole, rather than just the future of the BBC, and it involved participants both from within the industry and from the community at large.

Summary

Two issues dominated the conference: the future of the BBC and the likely effects of technological change on broadcasting in general.

These issues were placed in the context of developments in broadcasting in other European countries, and the way in which the BBC had attained its particular institutional rôle in our society. How could we ensure that society's needs rather than the technological imperative determined the nature of our broadcasting? Commercial broadcasting started in the fifties but commercial pressure is now severe with the development of cable and satellite; and digital compression will produce an even wider channel choice. Are commercial sources adequate to fund this growth, or will programme quality and range suffer? Should the BBC be dipping into the commercial pool? The government view was that public awareness of changes taking place in broadcasting should be increased and that the current debate should be about the aims of public service broadcasting. An alternative view was that the debate should centre on the rôle of the BBC as a national institution, because most of the value of public service broadcasting stemmed from that institution. Regulation was a problem and had to be seen in the context of an expanding and diversified industry that was becoming increasingly international.

1 What has Changed?

Colin Shaw recalled that when he joined it in 1953 the BBC still had a monopoly position, which was immensely strengthened by memories of its wartime rôle when large parts of Europe turned to London for information, entertainment, and not least, for hope. The Coronation in June of that year was held by many to symbolise a new era for Britain, a 'new Elizabethan age'. The BBC shared in that euphoria.

Contrast that with 1992: the response to a request for a public enquiry into the BBC addressed to Kenneth Baker on the eve of the election was that such an enquiry would be inappropriate now that the BBC was simply just another programme service. Has the BBC's place in society really changed that much? To answer this it was necessary to look first at changes which had occurred in society generally:

Cultural and Educational The BBC replaced the old British Broadcasting Company in 1927 because the government felt that broadcasting in Britain should not become, as it had in the USA, an adjunct of the advertising industry. Broadcasting in Britain was to have a moral purpose, and thanks to John Reith and many who worked with him, that moral purpose was worn on its sleeve. Education, information and entertainment were central. The twenties were a time of great hardship and the BBC offered experiences which many in its audience could not obtain in any other way. It provided plenty when times were lean.

► St Catharine's gratefully acknowledges the contributions of **The BBC**, **The Department of National Heritage**, and **Yorkshire Television** towards the cost of the conference.

CS508713

BEST COPY AVAILABLE

It is quite different today. Books are cheap, music of all kinds is available on CD and tape, London and the major cities offer a wealth of live music, art galleries and museums. A university education is no longer the mark of special privilege and a considerable proportion of the population is capable of challenging and questioning the established order. Unfortunately there is beginning to evolve a sub-class of people who cannot meet the demands of the educational system and an increasingly technological society, who have no share in the present and so can have no care for the future.

Social and Economic The nature of the press has changed, notably through the increased power of the tabloids, now able to influence the conduct of government. Possibilities for free debate are less than they were, with more than a third of the national press controlled by a single management with interests in many other fields, including television.

Religion has lost its influence, and the Church has lost its standing. Social cohesion has declined, almost half of all marriages ending in divorce, with informal relationships seeming equally unstable. Women have more social and financial independence. Immigration has added to our population people from quite different cultural and religious backgrounds, some of whom form a disproportionate element in the underclass.

Glad, confident morning has given way to a wet afternoon

Britain is thus very different from what it was in 1927, or even in 1953: 'glad, confident morning has given way to a wet afternoon'.

Political and Constitutional Since 1979 the governing party has been elected largely from the southern half of the country, and has low representation outside England, where just under 15% of the population live.

The unions have been cut down; power has slipped from the regions to London; great cities have been diminished by the collapse of traditional industries and by the onslaught of a government determined to eliminate the power of its political opponents. Do the English provinces exist any more? If so, who speaks for them, for the great provincial newspapers are no more. What have Intercity and the motorways done for the Potteries of Arnold Bennett, the Nottinghamshire of D H Lawrence, the Bradford of J B Priestley — or the Birmingham of Joe Chamberlain and the Merseyside of the Braddocks?

So, too, the law has been weakened. Power over education has been drawn to the capital, but ironically the status of the civil service has declined and there has been the rise of the consultant. Our ability to think as a community about our long term needs has been diminished. Because we have lost the balance between Parliament and institutions which once acted independently of government, our democracy is no longer healthy. As it is one of those institutions, the preservation of the BBC is a matter of profound importance to our democracy.

These changes within the wider society are of crucial importance, but there are other changes of more immediate effect on the BBC:

Technology Cable has been slow to develop so its impact is yet hardly felt. This is not true of satellite broadcasting where BSkyB is making significant inroads into the audience for terrestrial channels. Technology has not yet upset the balance of power, although in a short time it is possible that so many

A technological free-for-all could reduce rather than expand freedom of expression

frequencies might be available that it will be difficult to maintain order. Without order, quality will be hard to maintain. This is not an elitist argument, for central to the notion of quality in broadcasting are issues of *range*, meaning the capacity to serve a variety of interests; and *availabilty*, meaning the capacity to deliver the service at a price within reach of those to whom it appeals. A technological free-for-all could reduce rather than expand freedom of expression.

The Competitive World Competition began for the BBC in 1955 with the first commercial television programmes; since then there has been an underlying fear that audience neglect of BBC services would lead to a reduction in, or even loss of the licence fee. The BBC's response, under the chairmanship of Sir Hugh Greene (1959–69), was essentially combative. Although the Pilkington Committee in 1962 found in its favour, awarding to it Channel 2, it was a Pyrrhic victory, for public sympathy was with the much-abused ITV companies. Greene aimed to pre-empt the opposition in every new field, partly to ward off attacks on the licence fee, but also to assert the supremacy of the public service tradition. Unfortunately it created an impression of over-ambitiousness, and later apparent incompetence, when the BBC became vulnerable to attacks from a hostile government and elsewhere.

Greene's strategy, continued by subsequent Directors General, led the BBC into breakfast television, rivalries over sporting events and satellite ventures. The football deal with BSkyB, the alliance with Thames Television in UK Gold, and the partnerships involved in the development of the World Service Television (WSTV) suggest a new strategy of selective co-operation. But are these the considered expression of a consistent policy for safeguarding the public service tradition, or are they simply expedients? And if so, what price principle? How mixed an economy can the BBC operate while remaining true to its public service objectives?

In answer to the last question it has been argued that if the BBC takes money from the commercial pool, it

should lose its exclusive right to the licence revenue and in the Green Paper there is the suggestion of a Public Service Broadcasting Council to test claims to public service virtues. Colin Shaw thought that the creation of such a body would be disastrous:

- it would confer a dangerous amount of power on the Government if its members were Government appointees;
- it would be in conflict with the other regulatory bodies: e.g. it would be incompatible with the public service requirements laid on ITV companies at the time of their licence applications to the Independent Television Commission (ITC);
- it would be difficult to measure its success: i.e. to whom would it be accountable? It would not be truly accountable if it did not measure the performance of those, including the BBC, to whom it gave money.

Speakers

The Rt Hon Peter Brooke CH MP, Secretary of State for National Heritage

Jon Davey, Director of Cable and Satellite at the Independent Television Commission

Peter Fiddick, Media Critic

James Gordon CBE, Managing Director of Radio Clyde

Sally Greengross, Director of Age Concern England

Patricia Hodgson, Head of the Policy Planning Unit, the BBC

Roger Laughton, Chief Executive, Meridian Broadcasting Limited

Bronwen Maddox, of the *Financial Times*

Mark Oliver, Business Policy Adviser with the Policy and Planning Unit of the BBC

Colin Shaw, Director of The Broadcasting Standards Council

Dr Alessandro Silj, Secretary-General, Consiglio Italiano per le Scienze Sociali, Rome

Anthony Smith CBE, President of Magdalen College, Oxford

Rather than creating this new Council there is need to define the rôle of the BBC more precisely, and to settle the basis of its income.

Accountability It would appear that the BBC has accepted the need for separation of the executive rôle and that of the governors as trustees of the public interest. There is also need for reform of the system by which governors are appointed, to include sections of the community currently unrepresented.

There is need for a forum in which the interests of both broadcasters and audience can be freely debated

A significant change in attitude towards the public accountability of broadcasters was signified when the BBC set up a Programmes Complaints Commission in 1971. It was a response to the controversy which had arisen over its programme 'Yesterday's Men' and the first time that the BBC had conceded the right of appeal to an outside body. It is profoundly regrettable that the Independent Broadcasting Authority refused an invitation to join in. Instead in the Broadcasting Bill of 1981 the Government imposed a statutory commission with the same remit on both organisations. The creation of the Broadcasting Standards Council in 1988 was seen by some as a step towards a fully-fledged Broadcasting Council, an overarching body for all broadcasting. Such a body has its attractions, but if members were government appointees, it would give immense power to the government. On balance Colin Shaw felt that democracy would be better served by a diversity of organisations, all with properly defined functions.

At present dialogue between broadcasters and the audience tends to be conducted in terms of grievances and there is need for a forum in which the interests of both can be equally debated.

Independence The BBC failed to keep in step with the new ideologues of the 1970s. It thus lost touch with those who came to power in 1979, and indeed with the population generally, who, to a degree, was sympathetic to some of the new, more individualistic, thinking. It failed also to nurture the affection of the general public and thus became vulnerable when pressures were brought to bear on its independence in the 1980s. At that time there seemed to be a great deal of accountability and not much independence, as seen in the shameful despatch of the police to the BBC's offices in Glasgow and the behaviour of government ministers over 'Real Lives' and 'Death on the Rock'.

Apart from accountability there are five preconditions for independence: *Trust* (between broadcaster and audience); *Custom and practice* (traditions by which politicians keep their distance from programmes); *Cash* (necessary because a broadcaster without an assured income is vulnerable); and *Courage*.

Colin Shaw hoped that the BBC which emerged from the enquiries of the following months would have courage in abundance and cash in sufficiency to win the trust upon which real independence is grounded. This trust must be the trust of all people, uninfluenced by considerations other than public interest. It must be a place where the people hold the mirror to themselves, warts and all. Anything else would be a BBC betraying the people whose licence fees continue to sustain it.

► Two issues dominated the discussion: how the BBC's Board of Governors might be made more representative in its membership, and aspects of the relationship of broadcasting with the community.

Nobody disputed the need for a Board of Governors more representative of society as a whole, but how this might be done remained unclear. More effort might be put into recruiting people who have proved their worth on less prestigious bodies. To what extent could a group of just twelve people be considered as representative of the nation?

Colin Shaw referred to a comment of Lord Ashby that with the decline of the Church, broadcasting had gained in importance as a social cement. Contrasts were drawn between today and the 30s and 40s, when listening to the radio was a social event bringing the family together. Now almost all members of the family have a radio, and listening tends to be divisive, although watching television is still more of a family event. This change did not simply reflect the increased availability of technology: eating together as a family, for example, has become less general. With central heating, there is no longer need to focus activities in one room. In any case, is not the idea of a 'social cement' outdated? These days, in an increasingly mobile and fluid society, we identify ourselves in a variety of ways.

The relationship between the broadcaster and the community is important at a time when satellite television transmission offers continent-wide, even world-wide audiences. What is its rôle in the new Europe? Radio is more effective at a local level, although with cable the possibilities of localised television services are opening up. The general view was that broadcasting is important in developing and preserving local culture. But is 'local culture' just part of the English game of nostalgia, the stations offering, rather than reflecting, a sense of identity for their audiences?

2 The West European Perspective

Fresh from the European conference on television in Lisbon, **Alessandro Silj** noted the unique situation in Portugal where two commercial television channels have been created and the licence fee abolished. The commercial market will have to support four channels: evidence of considerable faith in the advertising market in a country of only two million television households. This is an exceptional case in the European audiovisual industry where five main markets, Britain, France, Germany, Italy and Spain, account for 70% of the turnover. The situation in the last four countries was summarised (see panel).

The era of oversized global media groups, the phenomenon of the eighties, is over. Companies which had diversified have now slimmed down, laid off staff and reorganised their finances. Huge amounts of investment money are no longer there and share values have been scaled down. Experience has shown that moving into another country with capital and technology is not enough; there are cultural and political differences to contend with. Continental Europe in general is a depressed audiovisual market, in part because of uncertainty about the new Brussels-based European order.

The era of oversized global media groups, the phenomenon of the eighties, is over

In the midst of this depression, there are two thriving leaders in the field, namely Bertelsmann in Germany and Canal Plus in France. Bertelsmann is a publishing company with music interests which has moved cautiously into the audiovisual field. Although over 60% of its turnover derives from foreign markets, its audiovisual activities are all domestic. The written word, it seems, travels better than visual representation.

Canal Plus started pay television in France in a virtual monopoly situation, awarded the best conditions they might have hoped for by the socialist government (close political links in the media industry are common in Europe). Canal Plus has since greatly diversified its activities (into producing satellite dishes,

Resources

In *Germany* there are two public broadcasters (ARD and ZDF), with an income derived largely from licence fees (82%; advertising 18%). It has the strictest controls on advertising, which is allowed only between 6 and 8 pm and only for 20 minutes each day, although there are moves to allow advertising after 8 pm and to raise the ceiling to 25 minutes. In *France* licence fees provide 65% of public broadcasting revenue, with 26% from advertising (other sources make up the remainder) and only six minutes per hour of advertising are allowed. *Spain* failed in its attempts to impose a licence fee and it would now be very unpopular for any government to press the issue. Yet the advertising market cannot cover both public and commercial needs. In *Italy*, the licence fee provides 57% of income.

Audiences

In *Britain*, the first country to introduce commercial television in Europe, the BBC has a 44% audience share. *Italy*, the next oldest, has had commercial television for 15 years and public broadcasting has a 49.4% audience share. In *Germany* it is 62% to the public broadcasters, but many commercial stations can only be received on cable or satellite, and in households with this choice the public broadcasting share is down to 48%. *France* is lowest (39.2%) but this reflects a crazy decision to privatise their No. 1 Channel, which took the audience with it, changing programming very little.

decoders, films and videos, as well as linking up with cable operators to set up six 'thematic' (specialist) stations and investing in a number of other countries). The French government abandoned Eurocrypt, the Europe-wide standard for decoders, in favour of the product of the Canal Plus group. Their most recent project is a link with Murdoch to develop in France pay per view television, developed in the USA but not available in Europe.

It is impossible to discuss television in Europe without mentioning Italy's Fininvest, or Berlusconi, which has a dominant share of the Italian market, owning three networks and a share of Paytvs. Last year, for the first time, legislation was introduced to control the Italian media, but it was tailored to fit Berlusconi's needs. It has really gone too far and a fresh start is needed. Although Channel 5 in Italy has been successful, as for different reasons has been his partnership with Telecinco in Spain, investments of Berlusconi in Germany and France have not.

For public broadcasters lack of capital is a major problem: they cannot afford the sort of investment possible for the big internationally-linked commercial companies. Only in Britain is the licence fee index-linked, and long term planning is impossible if income can be assured for only a year at a time. Overall, licence fees in Europe have risen only 0.2% since 1985. The key issue of 1993 will be the future of public broadcasting; in practical terms, what resources will it be getting and what kind of programming can be undertaken?

Alessandro Silj concluded by highlighting key issues from Lisbon:

Should public broadcasting concentrate on 'serious' programmes? To be locked into a 'cultural ghetto', leaving popular money-making programmes to the private sector, was not thought desirable.

Should state-funded public service programmes be tendered out to commercial producers? Here again there was strong opposition.

Is there need for public ownership to have public service television?

Finally there was the issue of licence fees and audience. Although no-one has directly linked the two, public service broadcasters are worried when their share of the audience drops below 35 or 40%. This might not be so critical if there are three commercial stations sharing the majority: it can be argued that the more private stations there are, the better for the public service broadcasters. Others argue that reach, not share, is most important.

► Asked in discussion about the freedom of television from political interference, Alessandro Silj thought that Britain was relatively well off: in Italy three of the channels are under the control of political parties and in France political influence within the system is strong.

The major focus of discussion was the extent to which the industry is likely to become internationalised, in the light of the suggestion that the the era of the global media group is over. Buying into other markets will continue but with the involvement of strong on-the-spot partners to lead through the cultural and political labyrinth.

It would be useful to know what changes are to be introduced by the EC. At present there seems to be no European audio-visual market, rather there is an international market with an American focus, and a domestic market. A distinction might be drawn between programmes made for the domestic market and those aimed at prime time viewing which are costly to make and need to sell on the international market. Typically these are co-productions involving at least three partners and made in English. This is a problem for the smaller countries: unless you have enough money to tell your own jokes in your own language, you are denying the domestic audience what it expects from television.

Unless you have enough money to tell your own jokes in your own language, you are denying the domestic audience what it expects from television

America, where immigrants were landing with a tale to be told and where there was an incredible mix of cultures, by an accident of history became the centre of the world audio-visual popular story-telling system. The television of the European countries is more language- and culture-specific but, with an eye to the international market, their programme-making is now moving closer to the American style, with obvious dangers for Europe's smaller cultural groups.

3 Implications of Change for British Broadcasting

A panel of speakers addressed this issue, the first of whom was **Mark Oliver**. As the consultation document on the future of the BBC was to be launched later that day he talked not about the BBC but about the commercial funding environment, drawing upon published research carried out for the BBC in 1992[1].

Broadcasting revenue was projected to grow by 70–80% by the end of the century, but this would be mainly from the growth of subscription revenue, with advertising revenue on radio and TV increasing less and licence fee revenue showing little real change. By 1996 subscription income to channels, after payment of cable operators, is likely to surpass BBC Television's licence income.

Increased revenue has to be set alongside increased channel availability: the average number of channels

1 Congdon, Tim *et al.*, *Paying for Broadcasting: The Handbook*, Routledge, 1992.

received per household (4 in 1987 and 6 in 1992[1]), is likely to be 15 by the year 2000. This huge increase in service availability must result in greater revenue pressure, particularly for high bidders.

The huge increase in service availability must result in greater revenue pressure

Likely effects are more incentives to improve efficiency (as has happened already), and more fragmented revenue. A greater proportion of revenue will probably go into delivery, including subscription management and promotion, and individual channel promotion, setting up, and running costs. Less is likely to be spent on programming, with more imports and repeats.

If primary outlets (ITV, Channel 4 and Channel 5 in the commercial market) are under pressure because they do not get the sell-on and programme sales rights, they may consider deficit financing, leaving programme makers the task of finding the additional 10–20% of revenue. Original production would become more risky, threatening levels and range of programmes. The increased use of imported programmes would have an unfortunate effect on the UK balance of trade. From a surplus in the 70s and 80s, we are now in deficit following the battle between Sky and BsB for movie rights.

In terms of output, the main advertising-funded channels are likely to concentrate on peak-time popular entertainment, whilst subscription funded channels will concentrate on films and sport and perhaps some children's output.

What of public funding? Davies and Graham[2] suggest that this will be required to sustain the full range and variety of UK output in peak time, to act as a standard-setter across the range of output, and to maintain a reasonable and core investment in the UK production base. If one agrees, it is necessary to consider how much non-commercial funding will be needed and whether there should be more than one recipient (if so, how might the funds be distributed?). These are two of the major issues of current debate.

Cable and satellite was the focus taken by **Jon Davey**, who first offered the following comments:

- Although there has been much talk of political ideology being applied to broadcasting, changes in approach owe more to technology than to politics.
- We are moving rapidly and inexorably from a situation of rationed broadcasting to one of abundance.
- Television is now an international medium.

1 Most households receive only four, but the average is more as 1 in 14 have access to cable with 30 or more services.
2 In Congdon, *et al.*, 1992, pp. 167–221.

It is ten years since the first European satellite television started (later to become Sky Channel) and Britain pioneered cable in Europe. Cable has been developed more strongly in other countries (notably Germany), but the combination of cable and satellite is transforming broadcasting.

The main effect is on channel capacity: cable systems carry up to 40 channels of television, and Astra, the best known satellite system, has 32. With the launch of the third Astra satellite next spring there will be 50 channels, and we are on the brink of digital compression, which will multiply the number of channels that satellites, cable systems and terrestrial frequencies can carry.

How is this capacity being used? Surprisingly, the ITC has already granted over 100 licences for programme services, additional to those of ITV. Apart from the six channels operated by Sky there are channels specialising in sport, news, game shows, continuous parliamentary coverage, children's programmes, education, religion, country music and the interests of ethnic minorities. Many licences are for local channels of cable systems.

Nevertheless, progress in the so-called 'cable revolution' has been painfully slow in this country, with about 600,000 homes connected to cable systems, 380,000 of them to the new broad-band multi-channel systems: just a small proportion of the nation's 22 million television households. But it is growing rapidly. Cable systems carry more than just television and cable telephone connections are rising.

Data on satellite dish use are more difficult to obtain, but probably 2.8 million homes have them. In homes which have choice an estimated 60–70% of viewing time is still given to the four terrestrial channels. Despite this, Sky Television is already, at least in terms of revenue, bigger than any of the ITV companies.

There will be an explosion of choice: declining audiences for BBC and ITV are inevitable

The implications are that for a steadily growing number of people there will be an explosion of choice. An ever-widening range of interests will be satisfied, and satellite and cable will lose their initial down-market image. Declining audiences for BBC and ITV are inevitable.

Competition for audiences will intensify and programming will become more populist, but the pessimistic view of wall to wall game shows will not be borne out. It is now easier for entrepreneurs to enter and identify a niche and there is a large market for things other than game shows.

Programme costs will be forced down in some areas, but competition could push up the cost of some programmes (sporting events, films) to the point that viewers would have to pay more to see them. This will

increase pressure on companies to fund services through advertising, and some high Channel 3 bidders may not fully appreciate the difficulties ahead. If the outcome of the current consultations is that we need a strong force in public broadcasting, for the BBC there will not be the same commercial pressure, even though its audiences may decline.

The focus taken by **James Gordon** was programmes, and therefore listeners' and viewers' choice. He was concerned that the obsession with technology could lead to a diminution of the rôle of the programmer in broadcasting.

A regulating body is needed, not just for the BBC but for broadcasting as a whole, although it might be useful to separate radio and television for this purpose. The BBC's Board of Governors is not effective because it attempts to combine regulation in the public interest with acting as a board of management and is thus partial to the BBC's interests.

A regulating body is needed, not just for the BBC but for broadcasting as a whole

Radio, not television, would be the litmus test of the government's intentions and the BBC's response. On television both BBC channels offer a mixed fare and include programmes of undoubted quality. However, BBC radio has followed the American pattern of streamed programming and there is no evidence that the listener to Radio 1 tops up his diet of pop with forays into Radio 3 or Radio 4. Radio 1 has to stand on its own merits and it does nothing which could not be done as well in the independent sector. It is not that the BBC should not do it, but it should be recognised that for such broadcasting an alternative source of funding is available.

What have been the changes since the 1990 Broadcasting Act? In television the quality threshold maintains the tradition of public service but in radio the obligation to offer a broad range of service has been transferred to the radio authority, which is required to ensure that the system as a whole offers a wide range of choice. Independent radio is simply doing what the BBC did 25 years ago.

Jimmy Gordon thought that BBC television would continue to be funded by the licence fee but that the status quo in radio would be unlikely to continue. This could mean advertising on Radios 1 and 2, or privatisation. Further competition for advertising would be unfortunate as there is already not enough to go around, and with new frequencies becoming available in 1995 you could have new independent national radio services competing with Radios 1 and 2, and the further fragmentation of the radio audience. This would further detract from radio's credibility as an advertising medium.

If there is a wish to make more radio accessible to advertisers, the quickest way to do so is to advertise on Radios 1 and 2 — but to mix the licence fee and advertising would enable the BBC to undercut the commercial rate of the independent sector. Emerging from a recession, there is not enough revenue to support what we have at present so new services must await the availability of further funding. Within a few months everyone in the UK will be able to receive eleven radio stations, and if regulated by one body, ensuring that they were complementary, they would surely offer an adequate range of choice. An orderly development of the system is needed, which takes account of the viability of new services and the continued viability of existing services. At present a period of stability is needed: new entrants could cannibalise the audience and force broadcasters to become 'narrowcasters' — and that is not in anybody's interest.

The technological imperative has to be resisted: it determines the number of options open to us but it should not determine how we use them. Decisions on the number of services must be based on listener and viewer choice and the availability of funding and human resources to run them. Too often in the past invention has been the mother of necessity.

Roger Laughton reflected on the magnitude of the task ahead of him and his colleagues at Meridian who will take over from TVS at midnight on 31st December, which he likened to standing on the hard shoulder of a motorway waiting to jump into a car speeding by at 70 mph.

The feeling that something is just about to happen has been prevalent in broadcasting for the last decade, as he illustrated from his years at the BBC. Ten years ago radical change seemed, certainly from the speeches of Kenneth Baker, to be imminent. It was a puzzle that there were two public service broadcasting minority channels, Channels 2 and 4, where four years earlier there had been one (this remains an anomaly, unique in the world). Six years ago his concern was with Daytime TV, the BBC having extended broadcasting hours to serve those who could view by day: the old, unemployed and poor. Three years later, with satellite and cable in the background, he moved to BBC Enterprises, the cutting edge of the BBC's commercial activities, to take charge of co-production. By then there was a strong sense of the market place, and the realisation that increasingly programme making would need funding from more than one source.

The feeling that something is just about to happen has been prevalent in broadcasting for the last decade

Today many of these changes have taken place and the lessons which they provide need to be understood and worked through: change in British broadcasting has

too often taken place before the previous change has been understood.

In the regulatory sector there is at present a sort of 'duel of the gladiators' between ITC and the Office of Fair Trading (OFT), particularly over the question of independent producers' access to ITV. Unfortunately it has become clear that what one regulator believes to be the right way to run broadcasting may not be shared by the other; the outcome of this clash will shape the way in which broadcasting develops.

The impact of the recession also needs to be understood: many bidders last year would have bid lower had they been able to forecast the unusual length of this recession.

The impact of 'the new Europe' is underestimated: new European copyright provisions, for example, will affect the ownership of rights in production and make life more difficult.

There are two destabilising factors resulting from the 1990 Broadcasting Act. The first is the competition caused by companies in the commercial television system who are both producing and buying programmes. Secondly, great variations in the level of the bids mean that companies have different economic and commercial perspectives in the short or medium term.

We should be wary of changing the BBC much. The onus is for those who wish to make change to show that it will indeed be for the public good. We have at present a particular kind of market-place, and when it is failing that will be the time to move on. For the moment, enough change is built in, enough traders are falling out, enough newcomers arriving. We need to care enough about the ecology of British broadcasting to ensure that the best we have isn't destroyed and to see that the worst (and quite a few things are wrong) can be dealt with by changes already in the system.

► Much discussion centred on the implications of the expansion of the number of channels and methods of delivery. Would this fragment or segment the audience[1]? Would the new channels supplement or complement existing services? More channels did not necessarily mean more diversity: it could be more of the same. How could we shape the way in which this growth was taking place? At present the ITC's licensing only took account of whether programmes would infringe the law. A more restrictive policy, it was suggested, would be difficult to justify in political or consumer terms.

A more favourable view drew an analogy with the press where generalist dailies were supplemented by a variety of magazines catering for specialist interests. But from where is the totality of this activity to be financed? At present hardly any of the companies involved are making money; rather they see what they are doing as an investment for the future.

Having made that investment BSkyB has now reached a level of profitability and some thought it unfair that it is not now subject to the same regulatory climate as other broadcasters. Related to this was the question of cross-media ownership: should not satellite be brought under the same ownership rules as ITV? This question highlighted the increasingly international character of television: no longer can a country fully control its broadcasting destiny.

4 Implications of Change for British Audiences

Peter Fiddick, the first speaker on this topic, noted that with the debate on the future of the BBC, changes in Channels 3 and 4 taking place in January, and the advent of satellite, the public was well adjusted to the notion of change in broadcasting. Our ability to adapt to innovation was evident from the way in which we took up the VCR, faster than the USA or any other country, and not least because our television quality offered a lot for people to record.

The public is well adjusted to the notion of change in broadcasting

Direct home satellite, affordable and, unlike cable, instantly available nationally, would now take off, giving more channels and more choice. Even with a multiplicity of channels, the experience of the USA, which has cable markets with as many as 40, is that on the whole people use only six to eight — not much different from the four channel environment of today.

The way we use television changed significantly with the launch of Channel 4 in November 1982. With growing choice, the viewer could no longer develop an in-built knowledge of programmes, and this had undermined a lot of consumer loyalties.

Radio experience shows that listeners want a relatively small number of channels that they can rely upon and change only when they cease to be happy. With a multiplicity of television channels they will stay with the familiar, and it will be harder for networks to draw audiences to their flagship programmes. From the network side it is a marketing problem, but from the consumer side it is more a matter of are you around and did you know it was on? This approach to the media is very different from just five or seven years ago.

Increasingly there is the belief that the battle over the licence fee has been won and that it will be indexed. Is the euphoria premature? From the Tory side there will undoubtedly be a battle when the fighting came.

1 A fragmented audience watches a bit of everything, no channel having a particularly loyal audience or high reach among the population. In a segmented audience, people watch or listen only to particular channels. With fragmentation the BBC would reach all of the people some of the time, with segmentation it will reach some all of the time and others none of the time.

The BBC has introduced quarterly licence fee payments with monthly payments coming; this will demonstrate its value against satellite. For cable and satellite, particularly the subscription channels, the big worry is that you lose interest and don't pay the subscription any more: in the USA a big part of the budget goes to ensure that people are kept signed up. We have no idea just how loyal British audiences are going to be — and that's where you come back to the rôle of the BBC and free commercial television. For consumers of the future, what they get on their free channels could become an increasing proportion of their television satisfaction, but over which they may have less and less control.

Sally Greengross spoke from the viewpoint of the voluntary sector, and older people in particular.

It is a nonsense to say that old people cannot adjust to the speed of change today. They have come to terms with equally momentous changes in their lifetimes: our oldest citizens were born before there were any cars and have lived to see people set foot on the moon.

It is hard to define what makes older people similar to each other, except that they go on breathing for a lot longer than others! As a group they encompass people with increasingly varied cultures, backgrounds, tastes, levels of education and levels of income. As an audience they are growing in numbers and growing in influence. Already there are 100 million people of 50 or over in the European Community and that is potentially a very powerful slice of the population. Programme makers are going to have to take that into account.

Although there is the same mixture of talent amongst the old as amongst the young, they are (particularly women) under-represented on the television screens. Those that do appear are often the miraculous (like Yehudi Menuhin), stereotyped character actors, or well-preserved actresses. There are few presenters and newscasters, and few appear in advertisements. In the USA advertising has to be representative of society generally, involving a cross section of black and white, young and old. Here we perpetuate stereotypes which are bad for men and appalling for women. To be punished for getting older is understandably dreadful and campaigning will undoubtedly bring about legislation against age discrimination.

These things will change because cultures change. For example, in French perfume advertisements, the men and women who appear in them are 10–15 years older than in our own. There is a cultural difference in what is considered to be attractive and appealing, and in this country we seem to be lagging behind.

As an audience, older people have slightly different hours of viewing, not least because long-term unemployment hits people of 50 and over much more than the young. Broadcasters must look at this.

The voluntary sector is very active and has developed strong links with the broadcasters, as indeed with MPs. There are, nevertheless, worries that changes currently taking place might disenfranchise some. To meet this challenge the voluntary sector has to use its resources more effectively and be more pro-active,

Ghetto broadcasting has to be avoided: what is needed is normalisation

targetting programme-makers most receptive to its needs. They need encouragement to take up particular causes, not only in documentary-style programmes: it is much more effective to get something into 'The Archers' or 'Eastenders'. Ghetto broadcasting has to be avoided: what is needed is normalisation so that everybody's interests are adequately represented in every bit of broadcasting.

The title of the session, thought **Bronwen Maddox**, implied a kind of passivity on the part of viewers — change is happening, what will it do to the viewer? — whereas it was the viewers who were choosing the change. As the latest figures show, in homes where viewers can get satellite and cable they are watching all of it. That change is the backdrop to the franchise auction and the current debate on the future of the BBC.

The BBC seems fond, in a self-deprecating way, of predicting its declining share of the audience in the future, almost as though these things were predetermined. But these things are really hard to predict.

The proposals probably condemn the BBC to 'genteel decline'

It remains unclear what the BBC is trying to say in its long document — it reminded her of Saudi government material sent to her paper boasting of '60 years of progress without change'! She agreed with a comment of her colleague Ian Hargreaves that the proposals probably condemned the BBC to 'genteel decline'; a nice way of describing what happens to a stately broadcasting organisation squeezed gradually by lack of money, possibly from self-doubt, and by competition from increasingly wealthy and numerous competitors.

How much would the BBC have to sacrifice to preserve quality in some corners? People were rightly sceptical whether the kind of plan that the BBC has begun to sketch out could be sustained in the long term: it seemed more like a medium-term tactic. It might do better to try to dip aggressively into the subscription markets (charging for programmes), and it would not be the end of the world if it took some advertising.

What a continuation of the licence fee could fail to give the BBC is independence: independence from government *and* the public perception of its independence. One of the most damaging features of the debate in

recent years is the perception that the BBC is so worried about its finances that it is changing the content of its news and current affairs.

There will be great changes for ITV at the start of 1993 and after that companies will have no option but to put on what advertisers most wanted. Although in some cases the best companies have won — whether financially best or best at making programmes — the auction is not the best way of allocating franchises. It proved disruptive to ITV at a point when it was probably going to be pushed in a more commercial direction by competition from satellite. Its effects will soon be seen on the screens.

Even though we spend much time assessing the effects of government policy on broadcasting, it is worth underlining the fact that change is innovation-led. Technological change has a lot of investment behind it, develops a momentum of its own, and needs to be seen in a long term perspective.

► Objection was raised to the use of the phrase 'genteel decline' in describing the BBC. It was probably the best broadcasting organisation in the world and produced a remarkable range of often quite excellent programmes.

Many people are losing jobs and this should not be as this is not an industry in decline

The BBC's lack of self confidence could be more damaging than a shortage of money. The bureaucracy needs to be removed and it needs a clearer sense of purpose. It can draw upon a remarkable pool of talent because we don't have the kind of cultural snobbishness about working on television that there is in France or America — possibly because Britain now lacks a film industry. Many people are losing jobs and this should not be as this is not an industry in decline.

Could we really employ more older people in the BBC or the other companies when we were not a full-employment society? This is not a business of secure jobs and pensions but one in constant need of talent refreshment. Talent seemed to be the key: we should look for talent and forget about age (as well as race, gender and disability). More 19 year olds as well as one or two 90 year olds?

Do programme makers really overlook the older audience? 'Emmerdale Farm', for example, had to broaden its appeal by bringing in issues to interest younger people. In fact the commercial companies were shameless in seeking to reflect audience needs and preferences.

5 The Future of Broadcasting

The Secretary of State for National Heritage, **Peter Brooke**, noted that it was the 70th anniversary of the start of broadcasting in London by the British Broadcasting Company (November 1922), which five years later became the British Broadcasting Corporation and a public service broadcaster.

It is interesting to reflect on the reasons for this transformation. The committee, which considered the future of broadcasting in 1925 and laid the foundation for public service broadcasting in this country, pointed out that broadcasting

> *should not be subject to the continuing ministerial guidance and direction which apply to government offices. The progress of science and the harmonies of art will be hampered by too rigid rules and too constant a supervision by the state.*

It went on to say that, within well-defined limits, the new corporation should

> *enjoy the fullest liberty, wide enough to mark the serious duties laid upon it, and elastic enough to permit variation according to technical developments and changes in public taste.*

Those observations have underpinned much of the regulation in broadcasting over the last 70 years.

There has been a steady growth in broadcasting services. BBC Television, its introduction delayed by the war, took off in the 1950s, quickly followed by commercial television, BBC2 in 1964, colour television and BBC local radio in the late 1960s, commercial local radio in the 1970s and Channel 4 in 1982.

The World Service, which broadcasts in English and 39 other languages to 120 million regular listeners world-wide, also celebrates its 60th anniversary this year.

Today it is difficult to imagine life without radio or television. We can see a wide range of drama and enjoy many kinds of music, or cultivate interests as diverse as snooker, American football, or sheepdog trials. It has helped the performing arts to flourish and encouraged people to visit historic buildings, art galleries, and museums. It has made the national heritage more accessible by encouraging people to go and see things for themselves.

The Future We are at the beginning of a period of rapid change, the most significant of which will be the increasing number of television and radio channels. Already programmes can be delivered off-air, by cable, by satellite and as video and audio cassettes. Digital transmission will make even more channels available.

The way people use broadcasting is also changing. Videos enable people to buy or record favourite programmes, and they can listen to audio cassettes whilst travelling. No longer are they tied to transmission times. More are paying directly for broadcasting services, by subscription, and purchasing new aerials and decrypting equipment.

The public should be aware of the extent of changes and their likely impact

Even so, many are still receiving just the four terrestrial channels and two or three radio services. It is

important that the public should be aware of the extent of changes and their likely impact. In particular it should be recognised that broadcasting has become a highly competitive international enterprise and there are limits to what can be achieved by national regulation.

Future of the BBC The future of the BBC after 1996 is addressed by the Green Paper, and the BBC has set out its own proposals. The debate now needs to be extended to viewers and listeners.

Peter Brooke emphasised that the Government believes that the BBC should continue as a major broadcasting organisation, with public service responsibilities. The debate should be about the aims of public service broadcasting in these changing times. When we have a clearer idea about this, then we can consider the rôle of the BBC in providing public service broadcasting, the range of its programmes and services and its other functions; its response to commercial opportunities, and how it should be financed, organised and made more accountable. All these issues need to be seen as part of a coherent policy for the future.

The debate should not overlook BBC programmes and services overseas, nor its long term investment in broadcasting, its patronage of the arts, its scientific and social research, its training and publishing (in magazine, video and audio cassette forms).

Commercial Television and Radio More immediate changes are taking place in independent television and radio. In September Classic FM was launched, the first national commercial radio service. At the other end of the scale the Radio Authority has been licensing local community stations, whilst the number of local commercial radio stations is growing. The authority faces a formidable task in advertising the stations formerly licensed by the IBA.

New Forms of Regulation The arrangement whereby the IBA vetted programmes and schedules in advance is no longer practicable with a multiplicity of channels and stations, and the increase in international broadcasting poses new problems of regulation. Channel, means of transmission, and programme making might now be separately owned and based in different countries.

Broadcasting in the EC has been governed by a Broadcasting Directive since October 1991 and the UK cannot restrict or regulate further services from member states which meet those regulations. Inevitably, with the increasing numbers of channels, some programmes will not reach the high standards to which we have been accustomed in the UK.

Regulation under the 1990 Broadcasting Act is less stringent than in the past: whereas programmes were discussed in advance with the IBA, in future the ITC and the Radio Authority will licence broadcasters and check retrospectively to see that terms of licences and codes have been met. For this reason programme and advertising codes are more detailed than before. They have been developed by widespread consultation, and regulation is more open. The Broadcasting Standards Council and the Broadcasting Complaints Commission report regularly and publicly on their work.

New Rôle for Audiences The relationship between broadcasters and their audiences is changing. With subscription services they have a direct link: by ending payment, viewers can very directly make their feelings known.

Indirect payment is, however, likely to continue for the most widely used services. Audiences have a right to know what they can expect and it is the government's view that all public services (the BBC, Channel 4, and S4C in Wales) should have explicit standards and publish results to show whether they have been achieved.

It should be possible to open up a dialogue between broadcasters and their audiences

For other services, terms of legislation, licences and codes will set out tasks and commitments and people can complain if they consider them to have been breached. There is a danger of defensive or negative attitudes when complaints are used as a measure of success, and this will be kept under review. In the long term we might be looking at ways in which the public might comment before rather than after the event. Above all, with the growth in interactive services it should be possible to open up a dialogue between broadcasters and their audiences. In this way broadcasters might keep abreast of changing tastes and interests.

Broadcasting as a Unifying Force Because over 90% of the population is likely to use BBC1 and ITV over the course of a week, and 80% use BBC2, Channel 4 or S4C, broadcasting is a unifying force. Commonly programmes attract 9–10 million people, the most popular twice that number. Television, and before that radio, has given us a sense of shared experience, an effect likely to weaken as channel numbers increase.

Government has sought to increase diversity and choice in broadcasting and to strengthen the rôle of audiences in determining which programmes and services are provided. We need to think more about the concept of broadcasting as a joint enterprise between broadcasters and audiences. Listeners and viewers are citizens in a parliamentary democracy and expect to have a say, if not continuously, at least from time to time.

▶ Much discussion centred on how public opinion would be tested. Market research techniques were not ruled out by the minister, who had used them in another ministry before the introduction of new coinage. Was it not surprising, it was asked, that professional researchers had helped to decide the size of

the 10p coin, but had not been brought in on so momentous an issue as the future of the BBC?

The case was made for involving schools and universities in seeking the views of the public. However, the potential of broadcasting as an educational tool, at all levels, including further education, had not, it was suggested, been exploited to the full.

It was noted that after the Peacock Inquiry people were not convinced that the Broadcasting Bill which followed fully took account of the views of the public, and the Minister was asked whether the views expressed on this occasion would be made public. He replied that as the government had indicated that it wished to hear the public view, 'it would be very odd to make a series of subsequent decisions without saying what the public had told us '.

It was wrong to assume that having such an enquiry suggested that there was something wrong with the BBC. Change had been the keynote of the last decade and the BBC needed to know what is going on in its external environment if it was to carry out effective medium or long term planning.

6 The Place of the BBC

The Government Green Paper, thought **Patricia Hodgson**, was a clever mixture, questioning the range of services that we should be prepared to pay for after 1996, calling for improved efficiency and accountability, and initiating public debate on the definition of public service broadcasting.

There were, however, obvious objections to the proposed Public Service Broadcasting Council, which would starve the BBC of revenue. An intermediary between the licence fee payer and the service provider, it would destroy the public perception of the licence fee as a charge for a service; introduce the 'begging bowl principle' in the commissioning and scheduling of programmes, placing both in the political arena; and relieve ITV companies of quality obligations and commitments made in franchise bids. The cost of the proposal would include buying time in the commercial channels and compensating for any related loss of advertising revenue.

As the Charter debate would be conducted on market-terms, the BBC's vision of its rôle in extending choice should be set in context. We now have more than 116,000 hours of television a year: eight times more than just ten years ago. Radio output had trebled over the same period. The BBC seeks to be a standard setter, extending range but also competing with ITV in popular areas: quality and diversity is the aim. At the same time, reducing overheads will achieve an extra £120m for programmes over the next five years and the Producer Choice initiative gives control of resources to programme makers, ensuring cost effectiveness. There is a great deal of competition: for entertainment on ITV, for rolling news, films and sport on BSkyB, whilst BBC and Thames are collaborating on UK Gold to make a business of their archives. On radio we have two new national channels (Classic FM and Radio 5). In sum, the broadcasting industry has produced a good combination of traditional achievements and innovation; one of Britain's undoubted success stories.

Even so, the pace of change is extraordinary and the demands on policy makers and broadcasters is extreme: it is why, in the Government's words, the status quo is not an option.

On February 5, 1989, Sky Television began broadcasting from the Astra satellite and from that moment the duopoly was dead. New technology and new channels mean real competition. How should existing broadcasters react, and what form should regulation take?

Perhaps the Broadcasting Act got a few things right; it certainly got a lot wrong. The Treasury was greedy, as it always is, adding the franchise auction to the levy and the corporation tax; there was not enough understanding of the difficulty of sustaining news in the commercial sector; nor of the vulnerability of regional companies, small by global standards, to international predators. These three issues threaten the range and mix of programmes at the heart of British broadcasting.

British television is now developing as two distinct, if overlapping, markets. The primary market comprises the four terrestrial channels (two big budget channels, BBC1 and ITV, £600m and £800m businesses respectively, and BBC2 and Channel 4, with an output containing a good range of original material but cheaper to produce and schedule). This primary market — the networks — is characterised by expensive mixed schedules, a preference for home-grown programming, and free availability. It accounts for 95% of all viewing in the UK; in America, despite 15 years of multi-channel television, it still attracts two-thirds of prime-time viewing. The networks can expect to command two-thirds of prime-time viewing in Britain at the end of the decade and beyond.

British television is now developing as two distinct, if overlapping, markets

The secondary market — cable and satellite services, small business in television terms — is the engine of change. Lower cost channels, they concentrate on films, sport, news and re-runs, but mobilise large sums through subscription. The Sky system, launched into the downturn of 1989, seems to be recession-proof.

The prospects for these two markets are different, in terms of funding, programme types and the way they serve their audiences. Funding is the key. British television is attractive to the advertiser as programme standards are high and viewers watch, on average, nearly 3½ hours a day; more than in Europe and

almost as much as America, the most developed market. It accounts for an increasing part of UK advertising expenditure, peaking at 41% in 1989. Then recession took hold just as technology more than trebled the number of channels trying to support themselves from that slice of the advertising cake.

Advertising revenue will grow again as the economy moves out of recession, but new channels will probably take up most of the growth. Thus in real terms ITV advertising income is likely to be similar to what it was in 1986, but companies now have to pay between them an annual average of £366m, the continuing price of the auction, when competition is increasing the price of film and sporting rights and the best writing and performing talent. With such a revenue squeeze, can ITV sustain past standards? If the BBC dipped into the advertising pool, the highest bidding and marginal ITV companies would certainly be pushed into loss. If, in addition, the BBC lost any significant part of its licence income, overall investment in production would drop and recession would loom again in the industry.

For the secondary market the picture is different as forms of direct payment are taking off: audiences have shown remarkably little resistance to paying for extra television entertainment. In ten years video sales and rental have exceeded the portion of the licence fee that goes to television, and by 2000 spending on pay-to-view television (cable, satellite and video) could equal or exceed advertising revenues, as has happened in the USA. The problem is that the cost of delivery (cable and satellite hardware and video shops) absorbs between 30–50% of all spending; much less is returned for programme making.

Overall growth in channel numbers fragments viewing patterns and weakens the audience and revenue base for the networks. There is danger of an increasing production deficit, with more money going into the business of broadcasting and less into programme production.

Whereas at present over 70% of output is produced in the UK (BBC, 77%; ITV and Channel 4, 73%), commercial stations in Italy, Germany, Australia and Canada manage only about 50% and France only 40%. Britain is the only country outside the USA with a production base powerful enough to satisfy nearly all demand for home-grown programming in prime-time on the networks and to support a thriving export business. Indeed, the BBC is probably the world's biggest television distributor, funding up to 10% of the direct cost of BBC1 and 2 from sales abroad. It must ensure that this is still true in 2001, that services to home audiences are improved, and that its global television business is developed. It must command an adequate share of audiences and revenue in its home market to sustain its quality-setting rôle and to support British production.

The BBC proposition for 1996, as set out in *Extending Choice*, is based on its traditional mission to inform, educate and entertain. This does not mean the status quo, because it has to be applied in greatly changing circumstances. It accepts the rôle of setting standards and extending choice, providing high quality programmes which are, or might be, at risk in the commercial sector. In news, current affairs and information it aims for a broader agenda and better news gathering resources than any other broadcaster; in entertainment British culture will be defined very broadly, stimulating the development of the arts and entertainment; and in education (formal and informal, pre-school to the Open University) it will guarantee services that create opportunities for viewers and listeners.

Priority will be given to services unlikely to be provided in the commercial market, Radio 3 and 4 in particular. It will establish a continuous news service. It will ensure that its popular services are recognisably distinctive. Licence payers must be willing to support it because it offers something not available elsewhere.

It must also provide demonstrable value for money, a framework guaranteeing accountability, and independence from political and other pressures. It can only do so with a new framework of accountability, clarifying the rôle of the governors as regulators, and holding the management responsible for determining strategy and delivering effectively against its objectives.

Independence underpins the whole and the first test of any funding and regulatory proposals is whether they will protect from pressures and special interests, commercial or political.

A public service broadcaster should be able to change the market, to broaden choices and to extend popular taste, skilful scheduling leading the audience from the popular to the particular. To do this it must maintain a significant market share: it has been suggested that if its audience share fell below a third, the BBC would be marginalised, offering excellence to the few but no longer serving the nation as a whole.

A public service broadcaster should be able to change the market, to broaden choices and to extend popular taste

If 'public service' is a subjective concept, is it possible to quantify the loss if the BBC withdrew from particular areas of broadcasting? Patricia Hodgson thought that it was. Figures can be provided to show the proportion of home-grown productions and the use of repeats (especially at prime-time). They can also show that the BBC is offering a peak viewing experience broader than other channels.

But what about quality? Through BARB, the broadcasters' joint board for audience measurement, the BBC is developing a more sophisticated way of measuring audience appreciation. Audience numbers alone are not enough to tell us whether a drama is good as drama or whether comedy entertains.

In a broader context, the BBC is a world class broadcaster. The World Service, the foundation of its international reputation, speaks to 120 million regular listeners worldwide. World Service TV, launched just a year ago from Hong Kong, broadcasting across the Middle and Far East, is now penetrating Africa and North America with global reach likely in 1993. Thus to the BBC's standard setting rôle in news, information, entertainment and education, should be added that of providing programme services of value and distinction to overseas audiences whilst reflecting foreign cultures and perspectives to the audience at home. Its strength at home has made global success possible and the global dimension reinforces the services at home. The BBC looks forward to developing, focussing and fine tuning these services in response to the public debate.

Discussion Groups

The conference divided into smaller groups to discuss 'which characteristics is it important to preserve and/or create in a changing and expanding broadcasting environment?'

Much of the response was predictable — accurate, informed and unbiased new services; creativity and innovation; balance and impartiality; technical competence; and that broadcasting should reflect the full range of our society.

Other suggestions included the need for suitable measures of monitoring and accountability, applicable to all broadcasters; the need for equal access throughout the UK to broadcasting signals of the highest technical standard; the need for the BBC to maintain its rôle as a training institution; and an endorsement of the principal of general television channels (it was acknowledged that radio has become become more segmented, but this was of lesser concern). It would be regrettable if the growth of subscription services priced sections of society away from their screens in the same way as they have been priced out of the opera house.

► There was scepticism at Patricia Hodgson's upbeat projection of an expansion of jobs and opportunities. It is an industry in which there is substantial redundancy and little increase in production; new channels are using repeats or producing programmes with less money and fewer people.

There were varying perceptions of the rôle of Radio 1. The BBC had noted a slump in listeners in London with the growing number of commercial radio stations; was it was offering anything that the commercial stations could not do just as well? That was the view of the commercial stations themselves, resentful of Radio 1's freedom from commercial market constraints. However, a younger speaker saw Radio 1 as distinctively different — 'it's not just another music machine' — and made a case for its retention. It was also noted that the London experience is not typical of the country as a whole.

The debate returned to the mechanics of the consultation period, regretting that there had not been a full-scale public enquiry. The debate has to be moved away from the 'rarified world of legislators and broadcasting officials'. There have been several similar reviews and fatigue must be setting in. A more specific focus would have helped. The need to take account of women's views was stressed. The BBC would continue research into audience choice, but neither the BBC nor the government are committed to publishing representations made to them by the public.

A plea was made for the views of independent production companies to be taken into account in the consultation process. They presently live a rather hand-to-mouth existence, dependent on the success of tenders and find it hard to undertake long-term planning. There is need for collaboration with the BBC in matters such as training. Patricia Hodgson admitted that there had been 'some institutional resistance' but anticipated that there would be more effective forward planning, which would be in the interests of the independents and the BBC.

7 Questions and Principles for the Future

Because we have lost the notion of public service in so many areas of our life as social ownership has diminished, **Anthony Smith** thought that we needed first to examine what is meant by the term 'public service broadcasting'.

We might first consider what motivated the adoption in the twenties of what would later be called public service models. Fear of propaganda was a factor, the privately-owned press having participated in a shrill and unforgivable way in the propaganda war which had helped mobilise both sides in World War I. Another was the appalling example of American broadcasting, already debased by commercial competition.

The old arguments for public service broadcasting are still relevant

Unfortunately these fears have come back in the nineties and the old arguments for public service broadcasting are still relevant, although in the intervening years it has been sustained by new arguments. In the thirties, the notion of efficient modern management became associated with the public sector. The Post Office was one of the great pioneers and Reith brought to the BBC experience gained in managing a munition factory in America during World War I. Broadcasting, like flying and telephony, was seen as futuristic technology for which both the new management techniques and a public sector organisation were most appropriate.

World War II cemented the BBC into British public life, giving people a sense of one-ness and a sense of

home, whether they were evacuated, overseas, or on the field of battle. It left the BBC enormously fortified at the end of the war — but also slightly brittle, because the great argument which had sustained it, the War, had ceased.

Arguments against the public service rôle started in the post-war years, fuelled in the fifties by the new consumerism, which needed advertising through the most popular medium of the day. Commercial services were introduced, but in a curious way the notion of public service spread so that we came to associate it not merely with the BBC, and not with a monopoly, but with both halves of a differently funded duopoly. This was partly because of the closeness of the regulation offered by the ITA and then the IBA, thought of as really public sector and public service bodies.

In the eighties anything thought to be public service was branded monopolistic, and, *ipso facto*, incompetent, over-staffed and feather-bedded. With the arrival of John Major that phase seems to have passed. The Green Paper has opened up a fresh agenda for the BBC: to write a new set of arguments for its own existence.

Universality is its greatest value and should be its primary goal

Whilst we might accept everything that Patricia Hodgson had said, her argument — examining first the market, the opportunities, the technologies, to demonstrate the need for the institution — was put the wrong way around. It is better to start with the institution because most of the value of public service broadcasting comes from the record of that institution. If there were no BBC and one started arguing for public service broadcasting, one would not end up with the BBC: but we *have* got the BBC and its value as an institution has to be stressed. This value lies in its influence, and the memory it offers to society. It might court popularity, but universality is its greatest value and should be its primary goal. Its impact must be long term.

If one looks at the BBC, not as a process labelled 'public service broadcasting' but as an institution that is a cornerstone of national cultural life, not only its policies but also its behaviour need scrutiny. Improved accountability is thus essential. There is also need to know why the governors are there and how they come to be chosen. It is unforgivable that the present chairman of the BBC failed to use the due process of public advertisement in selecting the new Director-General; it should never be allowed to happen again. If you accept that arguments for public service are synchronous with the arguments for a particular institution, then you must expect standards of managerial behaviour in that institution that are of the highest.

Patricia Hodgson had suggested that the gain to society is value for money, a new structure of accountability and political independence. For Anthony Smith the last was the most important. It is the privilege of society, not of the BBC, to have an institution that is truly politically independent. We speak about broadcasting as if it were simply an agency of our entertainment, whereas in fact it is second only to Parliament as an instrument of our political life. The BBC has to be recognised as a valued public property, worth paying for.

We speak about broadcasting as if it were simply an agency of our entertainment, whereas in fact it is second only to Parliament as an instrument of our political life

The rôle of the BBC is even more important in the nineties when much of our broadcasting may come from commercial companies, four British and one or two international, particularly as the British companies are likely to end up as part of larger conglomerates about whose ownership and control we cannot be sure. It is more important than ever to have an indigenous independent agency to provide information, and a platform to all the political forces in society.

We want from the BBC choice and judgements. But choice cannot be foolishly and endlessly extrapolated on the assumption that the more choice people have, the happier they are. They want many other things, stability, quality, familiarity, continuity, things which are slightly in conflict with choice, but which a long-term institution can guarantee, particularly when the commercial institutions are going headlong towards choice. What the independents have done since the sixties is much more than to create a diversity of channels; they have been creative agencies of change and diversity: more than we are likely to get from the multi-channel system.

What the BBC can contribute is, in a phrase used by Huw Weldon, the notion of 'hand-made-ness'. A purely commercial advertising-based system looks for material to acquire, or to create as efficiently as possible. A public service broadcaster sees that programmes create expectations, are hand-made for the audience, and express the pressures that are at work in society. The great thing which differentiates those who work within a public service system, including the independents working on commission, is that they are working to serve the public, just as we believe that doctors in the health service are working for the benefit of their patients and not for the benefit of their bank balances. It is different, it is a service, it has obligations for those who work in it as much as it has privileges, and these obligations affect the very way in which programmes are made, and the way in which the audience is enscribed into the work of production.

Whilst the rest of the system is meeting the demands of a competitive and highly commercial system, public service broadcasting is the only way in which, in the long term, we can ensure the influence and patronage

of a major institution with an impressive record to preside over part of our broadcasting culture.

▶ In discussion contrast was drawn between the vigorous intellectualism behind the argument for public service broadcasting in the thirties (admittedly from a vocal elite) and our apparent inability today to respond to the opportunities which are opening up on the political scene. We now have a government which is once again prepared to listen to what the public has to say. There is the opportunity for institutions like the Arts Council and the BBC to be self-confident and adventurous in stating their case. Unfortunately in the case of the BBC what we are getting are arguments concerned with value for money, rather than the argument for the public service as a value in itself.

What we are getting are arguments concerned with value for money, rather than the argument for the public service as a value in itself

The BBC was criticised for waiting for the Green Paper before 'setting out its stall'. With the consultation period ending in April, valuable time had been lost. It was regretted, too, that *Extending Choice* did not indicate the nature of the debate which had gone on within the BBC, or that the views of audiences had been taken into account.

Too often the question asked in the BBC was 'What should it stop doing?'; others saw it as filling gaps left by the provision of others. A view from the BBC was that its rôle is:

- to inform and educate, as is appropriate in our mature and participatory democracy;
- to reflect, enhance and celebrate British culture in its widest sense; and
- to reflect to this country what is happening in the rest of the world (and vice versa).

For the BBC to carry out these functions, especially the first, its audience has to be broad-based.

There is no inherent conflict between public service purposes and maintaining the BBC's broad appeal to society as a whole. This does not mean that the BBC has to be 'everything for everybody'. That the BBC should be free to do anything does not mean that it should do everything. For example, to fulfil its obligations of universality it does not need to put on game shows. However, it should be free to do so if it was trying to explore the genre in some illuminating manner.

The shortness of the consultation period had been stressed but it was pointed out that after the public response had been analysed, a select Committee of the Department of National Heritage would set to work and this would lead on to a White Paper and further consultation on its proposals, before the actual instrument was produced, whether legislation or a new charter, for 1996. Then the government's attention might turn to 'the other side' . . .

Conference Report by Geoffrey Williams

Participants

Lesley Abdela, Journalist and Broadcaster; Partner, Eyecatcher Associates; **Jolyon Armstrong**, Managing Director, Jolyon Armstrong Network, Reading; **Bob Atkins**, Lecturer in Broadcast Journalism, Centre for Journalism Studies, University of Wales, College of Cardiff; **Jenny Barraclough**, Director, Barraclough/Carey Productions Limited; **The Rt Hon Peter Brooke**, Secretary of State for National Heritage; **Dr Geoff Brownlee**, Director of Corporate Affairs, Yorkshire Television; **Jane Clarke**, Controller of Features, Westcountry Television Ltd, Plymouth; **Jon Davey**, Director of Cable and Satellite, Independent Television Commission (ITC); **Helen Dent**, Director of Policy and Information, National Children's Home; **Peter C Edwards**, Head of Media Division, Department of National Heritage; **Peter Fiddick**, Freelance Media Critic; **Matthew Fraser**, PhD student (British Broadcasting Policy), London School of Economics; **James Gordon**, Managing Editor, Radio Clyde; **Sally Greengross**, Director, Age Concern England; **Jean Goose**, Head, Broadcasting Policy Division, Department of National Heritage; **Dr Anne Grocock**, Bursar, St Antony's College, Oxford; **Moyra Haynes**, Chairman, Viewer Consultative Council for the Midlands, ITC; **Sarah Hobson**, Director, Equal Media; **Patricia Hodgson**, Head, Policy and Planning Unit, BBC; **Emyr Byron Hughes**, Head of Corporate Policy, S4C, Cardiff; **Roger Laughton**, Chief Executive, Meridian Broadcasting; **Betty Luckham**, Consultant on racial issues, Manchester; member of the Viewer Consultative Council, ITC; **Douglas McArthur**, Managing Director, Radio Advertising Bureau Ltd; **Bronwen Maddox**, Environment Correspondent of the *Financial Times*; **Andrea Maguire**, PhD student, Department of Applied Psychology, Aston University; **Michael Moriarty**, Member of the Radio Authority; **Mark Oliver**, Business Policy Adviser, Policy and Planning Unit, BBC; **Sheila Patchett**, Chairman, Yorkshire and North East Viewers Consultative Committee; **Suzanne Patrick**, Marketing Manager with the Spastic Society; Member of the North East Viewers Consultative Committee of the ITC; **Elizabeth Pearce**, retired Secretary to the Private Secretary to The Queen; **Hugh Peltor**, Director, British Radio and Electronic Equipment Manufacturers' Association; **Rev Canon Peter Pilkington**, Chairman, Broadcasting Complaints Commission; **Richard Rogers**, Department of Trade and Industry; **Colin Shaw**, Director, Broadcasting Standards Council; **Dr Alessandro Silj**, Secretary General, Italian Council for Social Sciences; **Kate Slack**, Drama Teacher; **Tim Slack**, Principal, St Catharine's; **Anthony Smith**, President of Magdalen College, Oxford; **Michael Starks**, Director, BBC Producer Choice Project; **Fiona Steggles**, Postgraduate student, Centre for Journalism Studies, University of Wales, College of Cardiff; **Jeremy Taylor**, Corporate Affairs Consultant to Channel 4; **Dr John Turner**, Head of Government Studies, Oxford Brookes University; member of the Viewer Consultative Council of the Midlands Region of the ITC; **Christa Veile**, Conference Co-ordinator, St Catharine's; **Dr Geoffrey Williams**, Director of Studies, St Catharine's.

Report published by The King George VI and Queen Elizabeth Foundation of St Catharine's
Cumberland Lodge, The Great Park, Windsor, Berkshire, SL4 2HP
Egham (0784) 432316, 434893 and 439258 Fax (0784) 438507